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## UNPACKING SOLIDARIDAD'S STARTUP MODELS FOR YOUTH IN COCOA SUCSESSES & LESSONS



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# **UNPACKING SOLIDARIDAD'S STARTUP MODELS FOR YOUTH IN COCOA: SUCCESSES & LESSONS**

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# CONTENTS

<b>ABOUT THIS PUBLICATION</b>	<b>4</b>
<b>THE STARTUP MODELS</b>	<b>6</b>
<b>WORK FEILDS CHOSEN BY MASO YOUTH POST TRAINING</b>	<b>8</b>
<b>OUR ACHIEVEMENTS</b>	<b>9</b>
<b>BENEFICIARY STORIES</b>	<b>10</b>
<b>FACTORS THAT CONTRIBUTED TO SUCCESSES</b>	<b>12</b>
<b>LESSONS LEARNED</b>	<b>14</b>







## ABOUT THIS PUBLICATION

This publication captures insights Solidaridad learned while implementing the Next Generation Cocoa Youth Programme, MASO, funded by the Mastercard Foundation.

The five-year programme was implemented around two startup models - the cocoa and business academies - and focused on empowering rural youth to engage in cocoa farming and related businesses as economically viable career options.

The publication details the models used, results achieved, factors that contributed to programme successes as well as lessons learned. It also highlights the anecdotes of beneficiaries on how the programme has changed their lives.





## INTRODUCTION

Rural youth face various challenges in their quest to earn a livelihood. The lack of skills training, limited access to financial services and employment opportunities in their communities perpetuate poverty, food insecurity and rural-urban migration.

These challenges, coupled with the reluctance of most rural youth to consider agriculture, particularly cocoa cultivation, as a profit-making career opportunity, continue to drive rural unemployment and rural-urban migration in most cocoa-growing areas of Ghana. The continuous exodus of youth from rural areas and their limited interest in cocoa farming deprive the communities and the cocoa sector of the dynamic and energetic next generation workforce needed to sustain the future of Ghana's cocoa.

### Attracting youth into cocoa farming

To help address the two-fold issues of sustainability and rural unemployment, Solidaridad, through the Next Generation Youth Cocoa Programme (MASO), has been providing skills training and support services to rural youth between the ages of 18 to 25 to encourage them to take up cocoa farming and related businesses as a viable career.

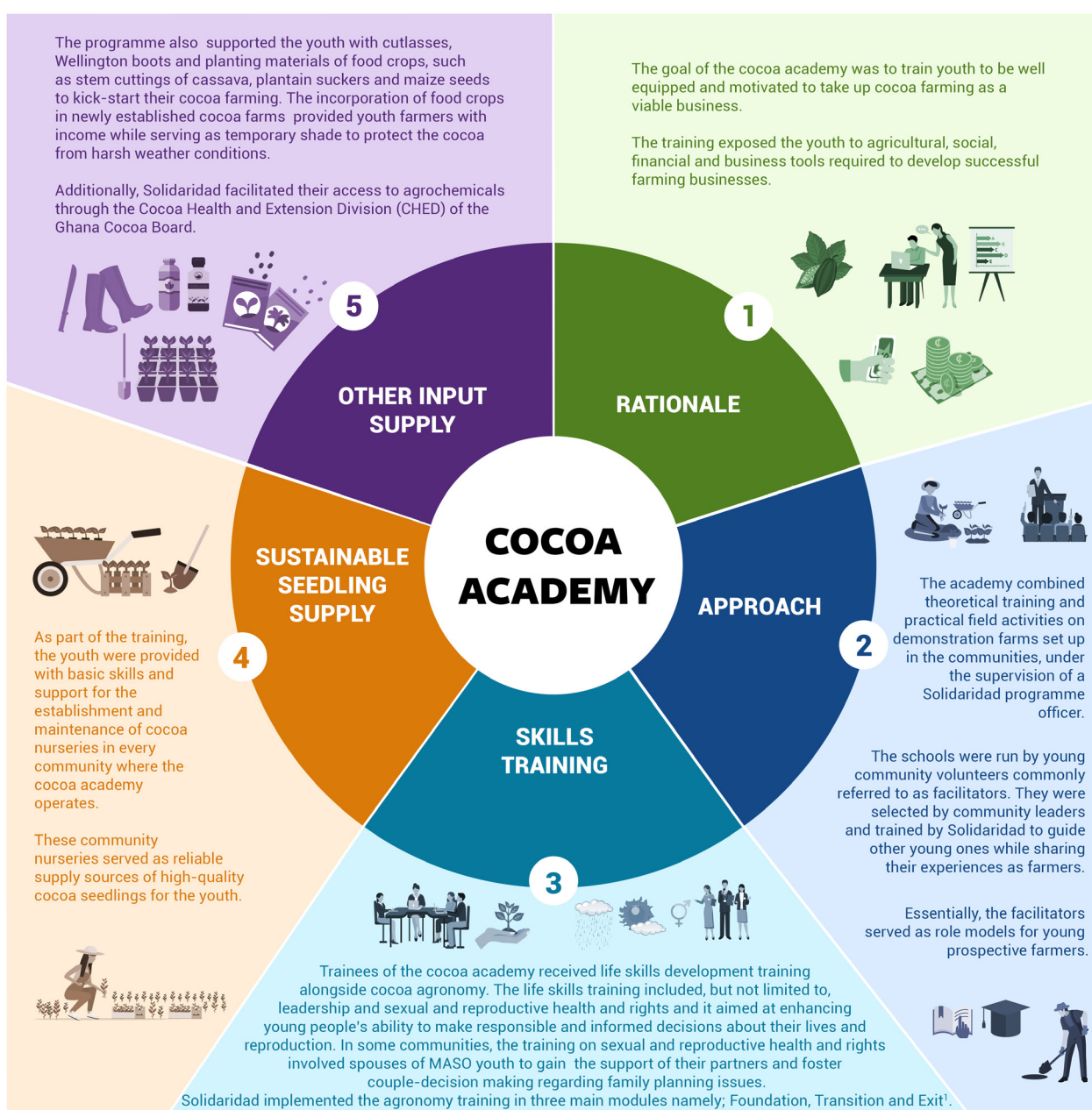
With funding from the Mastercard Foundation, Solidaridad led a six-member consortium – Aflatoun International, Ashesi University, Opportunity International Savings and Loans, Fidelity Bank Ghana Limited and Ghana Cocoa Board – in the implementation of the programme in Ghana.



# THE STARTUP MODELS

Solidaridad's attempt to attract youth into cocoa under MASO took place across six cocoa-growing regions; Ashanti, Volta, Oti, Ahafo, Central, Western North in Ghana using two startup models - (1) the Cocoa Academy and (2) the Cocoa Entrepreneurship Development Incubator (CEDI). These served as launch pads for strong entrepreneurialism.

Solidaridad operated the cocoa academy on the concept of the farmer field school, where a group of youth who are between the ages of 18 and 25 years and numbering 15 to 35 were extensively engaged in sustainable cocoa production, social and financial literacy for six months.



<sup>1</sup>**Foundation** - provided basic knowledge about cocoa agronomy.

**Transition** - provided knowledge on cocoa farm maintenance, crop protection and cocoa harvesting.

**Exit** - provided knowledge on climate-smart cocoa farming, cocoa as a business, gender issues and the establishment of a cocoa nursery.



The business academy served as a vehicle for building the capacity of youth to start businesses in the cocoa value chain. It was implemented as a critical enabler for the growth of private-sector service industry for cocoa.



## Enhancing access to finance for the startups

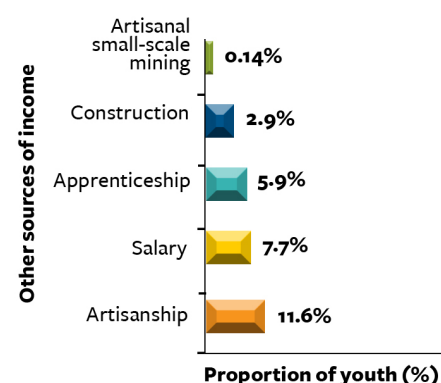
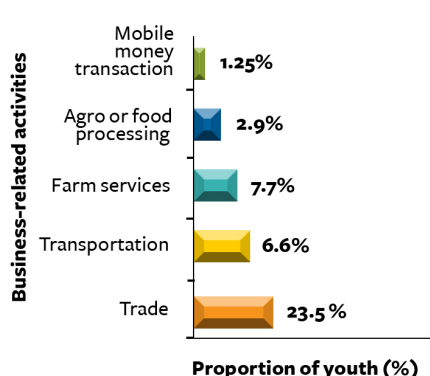
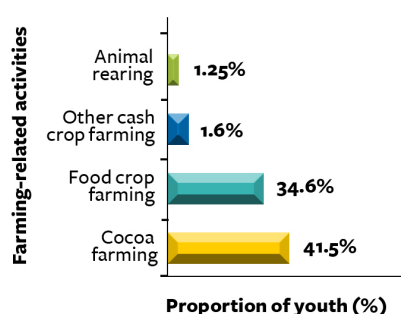
Access to financial services such as savings and loans is of fundamental importance to ensuring the success and sustainability of the new rural enterprises set up by the youth. To support the startups to build up assets for investments, insurance and credit, Solidaridad facilitated the formation of a community-based savings and loans group called the Youth Savings and Loan Association (YSLA). The key thrust of the association was to enable the youth to develop a savings culture, acquire affordable credit and to increase their creditworthiness to apply for credit from financial institutions to sustain and scale up their businesses.





## WORK FIELDS CHOSEN BY MASO YOUTH POST TRAINING

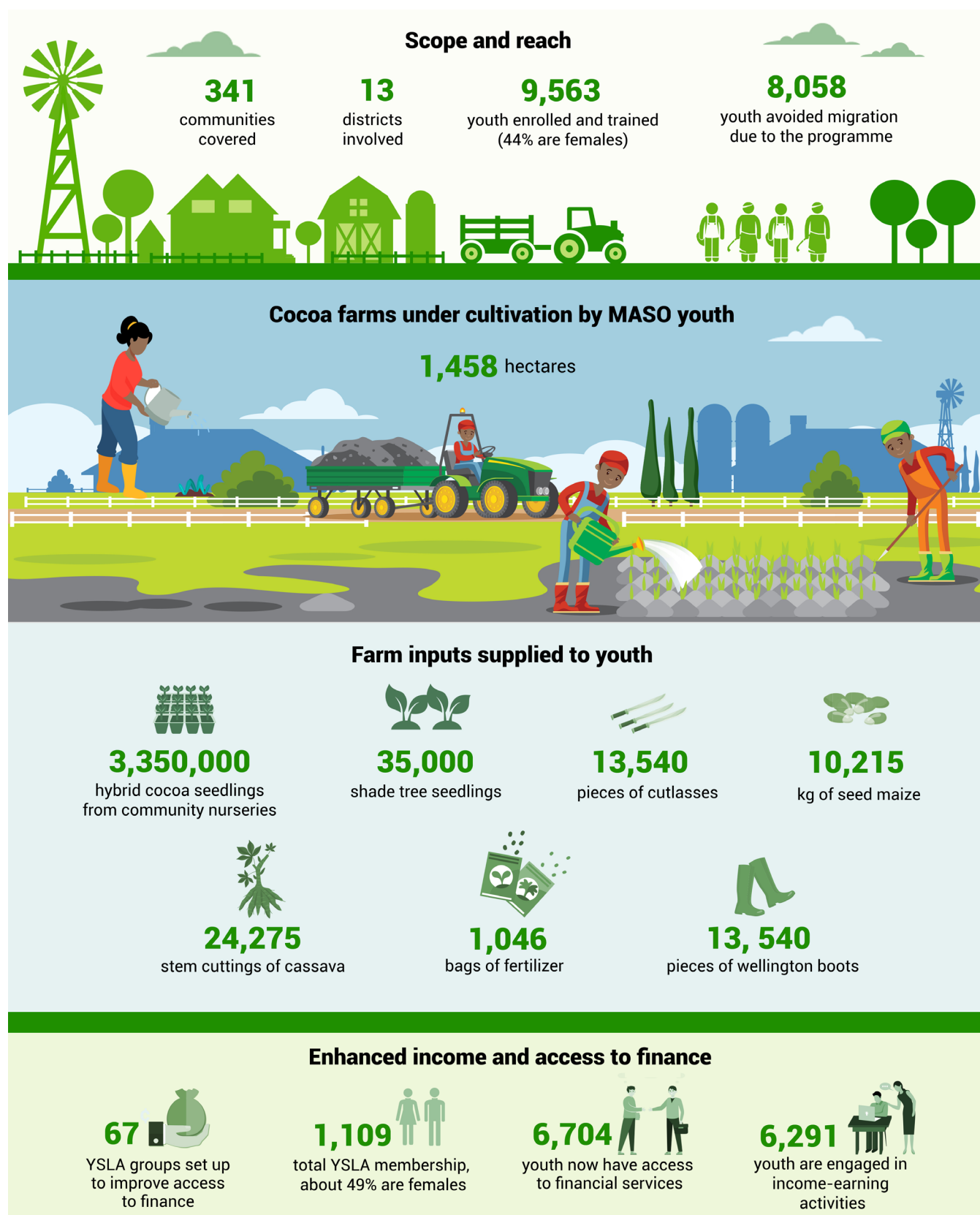
Youth who have graduated from the academies have found themselves in various fields of work with farming being the most preferred profession. The graphs below shows the proportion of youth who are involved in different income-generating activities.





# OUR ACHIEVEMENTS

Following five years of implementing MASO since 2015, here are some key achievements of the programme:





## BENEFICIARY STORIES



### 1. Name: Ruth Serwaa

**Community: Asanteman, Sefwi Wiawso**

“I had no knowledge of how to manage a cocoa farm until I joined MASO in 2018. Through the training I received under the cocoa academy, I can now transplant cocoa seedlings, line and peg, prune, intercrop and apply fertilizers the right way. Today, I am a cocoa farmer who manages a three-acre cocoa farm”.

“As I wait to harvest my first cocoa, the sale of the food crops from the cocoa farm in addition to the earnings from my petty trade is already affording me the opportunity to support my husband financially to cater for our two children”.



### 2. Name: Michael Dogbe

**Community: Old Papase, Bia West**

“Before joining MASO, I was unemployed. But through the support of my coaches during the training in the business academy, I realised the lack of farm management and labour services in my community was an opportunity to start a business. For me, that meant helping other farmers to improve their productivity by providing farm services such as weeding, line and pegging, pruning, spraying and harvesting, in a professional manner while earning an income. This is how Trustworthy Ghana Company Limited, a rural service center, was birthed”.

“The business, which I co-founded with another MASO youth, employs two other youth and provides farm services to over 200 smallholder cocoa farmers in five communities. With an average monthly revenue of 4,673 Ghana Cedis (808.20 US dollars), we have invested the profits into a mobile money transaction business, which now allows farmers and traders to send and receive money in my community. Thanks to MASO, I am now financially secure. This gives me confidence as a family man, because I am able to save towards the future of my child who would be one year old this month”.





### 3. Name: Abigail Oblie

**Community: Nyankomago, Kasapin**

“When I moved from Accra to join my husband in Nyankomago in 2014, life was tough. I ended up taking a job as a pupil-teacher in a nearby community since I had prior experience in teaching in Accra and dreamt of owning a school one day”.

“But until I joined the MASO programme in 2017, that dream was far-fetched. With the support of my coaches and guided by the knowledge and skills training in business management and financial literacy, I have been able to establish a daycare centre in this community. To kick-start the school, I received learning materials, toys, desks and tables, and other school essentials from the MASO programme”.

“At ‘Thy Mercy International School’, I provide supervision and care to over 50 children between the ages of two and six, whose parents are mostly cocoa farmers. I also teach them how to read and write”.

“Today, I make over 200 Ghana cedis per month (37 US dollars) in profits from the daycare and currently have a little over 1,000 Ghana cedis (185 US dollars) in savings. I have employed two other staff who support the day-to-day running of the school. With the new knowledge and skills I have gained, I have plans of expanding it into a Junior High School in the next five years”.



### 4. Name: Maclean Francis Kokonu

**Community: Siena No.1, New Edubiase**

“Joining the YSLA (Youth Savings and Loans Association) after the training I received from MASO in financial literacy has been a game-changer. Through a weekly savings of 20 Ghana cedis (3.50 US dollars), I have been able to acquire a cumulative credit of 2,000 cedis (350 US dollars), with very low interest, which I have invested in my newly established charcoal and local gin businesses”.

“I channel some of the earnings from these businesses into managing my two and a half acre cocoa farm, which I established with cocoa seedlings from the community nursery that was established with the support of MASO. As a result of the improvement in my finances, I have enrolled my daughter into a basic school that provides the best education in my community which I hitherto could not afford”.





## FACTORS THAT CONTRIBUTED TO SUCCESSES

The implementation of the startup models was largely successful. With a retention rate of close to 80 per cent, the interest of the youth who enrolled into the academies was sustained until the completion of the training cycle. Upon their exit from the academies, the programme has recorded over 65 per cent of MASO youth beneficiaries who are now actively involved in income-earning activities. These successes have been attributed to a number of factors which are outlined below.

### 1. Get everyone on board!



Prior to the commencement of the startup models, extensive community sensitization and engagement sessions were held with parents, traditional and local government authorities. This approach garnered the support of community leaders throughout the training and after the youth set up their businesses or farming activities. Additionally, key community stakeholders were involved in the selection of community facilitators who managed the cocoa training schools. This promoted a sense of community ownership, facilitated the mobilization of youth for training and enhanced the smooth running of the academies.

### 2. Employ a cascade approach to training



In administering training under the academies, a training-of-trainers approach was used. This proved to be an effective mode of knowledge and skills transfer. Under this approach, experts provided training to programme officers, who in turn transferred the newly acquired knowledge to community facilitators. From this source, the youth subsequently received the knowledge. The teaching methods were youth-centred, gender-sensitive, interactive, and participatory and involved activities that required working in groups, brainstorming, role-playing, games, and discussions. This approach improved skills retention rate and the leadership and communication skills of trainers and trainees alike.

### 3. Leverage the expertise of partners



The training Solidaridad provided was based on a comprehensive curriculum that combined life skills, business development, and sustainable cocoa production. With support from Aflatoun International, Solidaridad provided extensive life skills training on, but not limited to, leadership and sexual health and reproductive rights that aimed at developing interpersonal skills and triggering lifelong behavioural changes. Other consortium partners, such as Opportunity International Savings and Loans and Fidelity Bank Ghana Limited, provided support in financial literacy training while Ashesi University engaged beneficiaries in entrepreneurial training. The diverse nature of expertise from multiple partners provided holistic support to the youth. Also, the scope of the training curriculum and approaches focused on changing the mindset of the participants towards life in general, to enable them to apply the skills and knowledge acquired to other aspects of their lives with confidence they did not have before.

### 4. Provide additional incentives



Besides training inputs, Solidaridad provided free meals and paraphernalia during training sessions and other practical activities. This motivated beneficiaries and enhanced their participation in these sessions. For the youth, ownership of paraphernalia such as MASO branded T-shirts, caps, wristbands and stationery promotes a sense of identity and belonging to a cohort of the next generation of cocoa farmers. Largely, this incentivised their active engagement in the MASO programme.

### 5. Create a tailored credit and savings scheme



Business ventures and cocoa farms require money to run them effectively. For youth startups established under the MASO programme, Solidaridad facilitated the creation of Youth Savings and Loan Associations (YSLA) to enable them to mobilise internal savings and lend among themselves. The associations which are self-selected and managed by its members enabled the youth to develop a savings culture whilst having access to affordable credit for their businesses. This also created an avenue for them to increase their creditworthiness in accessing credit from financial institutions to scale up their operations.





## LESSONS LEARNED

The following are some key lessons Solidaridad has learned while implementing the cocoa and business academies under the MASO programme. It also includes recommendations to improve future related projects.

1. Contrary to popular belief that young people are lazy or uninterested in farming, rural youth are willing to engage in cocoa farming if they are provided with the requisite skills, guidance and support to appreciate the business case of farming. This is evident from the high number of youth that chose to engage in cocoa farming after their exit from the academies.

Accompaniment is key. Interventions from development organizations and policies targeted at the youth in cocoa farming should, therefore, go beyond knowledge transfer and provide practical mentorship, skills training and management practices that are geared towards proving the business potential of cocoa farming.

2. The formation of Youth Savings and Loans Associations (YSLA) has proved to be a basic starting point to help youth have a structured form of savings that enhance their access to credit for their businesses. To achieve speed and scale for rural startups, setting up a startup fund that is sensitive and responsive to the socio-economic needs of rural youth, with development partners and interested financial institutions can provide considerable and flexible capital for successful startups before they are ready for commercial funding.

3. In facilitating access to land for MASO youth, Solidaridad supported them to enter into sharecropping systems and rehabilitation of aged farms. Additionally, the establishment of the savings and loans groups has enabled some youth to save towards land acquisition. However, some youth still struggle with land acquisition due to the high rental or acquisition cost, disputes surrounding agricultural lands and attempts by some landowners to exploit female beneficiaries.





As a long-term approach, engagements and negotiations with traditional authorities must be intensified to acquire land lease documentation for youth on favourable conditions that enhance land ownership security.

4. Using expert consortium partners with well-defined roles serves as an effective strategy for projects targeted at providing comprehensive training in youth-focused interventions. This provides holistic support to beneficiaries which is necessary to produce the desired outcome.

5. The age range for youths eligible to benefit from the programme was predefined by the project to be 18 to 25 years. However, when ground implementation commenced, Solidaridad discovered a high number of young men and women above 25 years who showed a keen interest to join the MASO training schools. Most of these youths were cocoa farmers or had cocoa-related

businesses but lacked the knowledge, skills set and guidance to manage them into profitable business ventures. Thus, to enable a wider section of the youth to benefit from such interventions, it is critical that future youth-focused projects broaden the age spectrum based on the country's youth policy.

6. The startup models were structured to provide youth beneficiaries with knowledge and skills that enabled them to identify other business opportunities in addition to the startup ventures they developed under the programme. Essentially, the training MASO provided honed the forward-thinking skills of the youth to help them engage in multiple streams of income. That notwithstanding, building the capacity of the youth in specific livelihood activities would enhance their focus and direction towards specific income-generating activities they can engage in, especially, during the lean seasons of cocoa farming or while they wait for their cocoa to mature.



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